

## **LSTA Procedural Requirements for Grant Award Receipt and Accounting**

1. Award letter. The State Librarian's grant award letter is the official statement of approval of the project and is an amendment to the Grant Award Document. Conditions in the letter are binding and must be followed in the implementation and conduct of the project. The letter specifies the approved LSTA budget which must be the basis for all financial expenditure reports.
2. Document responsibilities. Consolidated grant award documents will be addressed to the head of the agency responsible for the project. Recipients which have a fiscal agent are responsible for seeing that the documents and funds are properly deposited with the fiscal agent.
3. Assistance. The award letter names a State Library consultant assigned to the project to assist in its implementation and monitor its progress. The grantee should establish a good working relationship with this consultant at the beginning of the project and call on the consultant for advice and assistance as needed. The consultant should be informed of any planned changes from approved activities and/or timelines, of project opening days or other publicity events, of staff changes, budget problems and the like. The State Library has specialist consultants in a number of areas who are also available for problem solving.

**For questions on LSTA policy and procedures, contact:**

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**For specific questions on LSTA budget matters and project reporting, contact:**

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4. Accounting. Separate accounting must be maintained in accordance with accepted standard accounting practices for each federal LSTA project to ensure responsible project management and the ability to submit timely and accurate financial reports. If applicable, grant recipients receiving revenues such as workshop fees must maintain separate income accounts.
5. Audit. All recipients must be in compliance with Public Law 98-502, "The Single Audit Act of 1984". When audits are performed in accordance with the instructions contained in the Act for funds provided under the LSTA, a copy must be forwarded to the State Library.

6. Reporting. Quarterly financial and narrative reporting is required of all projects, unless other provisions are made in the State Librarian's award letter. Jurisdictions with a history of delayed or incomplete reporting, or inadequate management of previous projects, may be denied future awards until an improvement in administrative practice can be demonstrated. In the case of a delayed award or award not covering a full fiscal year, reporting will begin with and cover activity in the first full quarter encompassing the date on the award letter.
7. Budget adjustment. To respond to local or unforeseen developments, the grantee may in most cases adjust approved budget categories by up to 10% with the approval of the assigned State Library consultant but without prior approval of the State Librarian. This adjustment provision is limited to 10% of the category into which funds are to be moved. An adjustment may be made in more than one category, or more than one adjustment made in the same category, during the life of the project. Multiple changes to a category may not exceed 10% of the original approved budget, and calculations of the percentage of change are based on the original budget. Needed adjustments in excess of 10% may be requested on the Grant Award Modification form (LSTA 4), for consideration by the State Librarian. Information on the adjustment provisions is included in the LSTA 8 instructions
8. Memberships/travel. Use of LSTA funds for personal membership in organizations is not approved. Use of LSTA funds for out-of-state travel, except for *authorized* routine meetings in neighboring states necessary to carry out project activities, is not approved.
9. Project close. All federally funded project activity must cease on July 31 of the grant award year and no new expenditures can be generated. All unexpended and unencumbered funds must be returned by August 15. Projects are allowed a liquidation period of 60 days unless otherwise specified in the award letter. All encumbrances are subject to review by the State Library. Projects should consult with their assigned consultants prior to making year end encumbrances. After the 60 day period, which ends August 30, all encumbered funds which have not been liquidated must be returned to the State Library. Instructions and a timetable for the close of projects is contained in the LSTA 8 instructions.
10. Consulting data. Unless exempted by the State Librarian, all data, both raw and analyzed, of consultants employed under terms of an award becomes the property of the California State Library and may not be used or published without the express written permission of the State Librarian.
11. Equipment inventories. Record of equipment, each unit costing over \$5000, purchased with LSTA funds must be maintained in an inventory file. Equipment inventory files must be maintained at the project level and duplicate copies sent to the California State Library. In general, equipment purchased with federal funds must be used for project purposes for five years, or the life of the equipment, whichever comes first, unless otherwise stipulated. Disposition of equipment is subject to review by the California State Library.